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Consumer markets abroad

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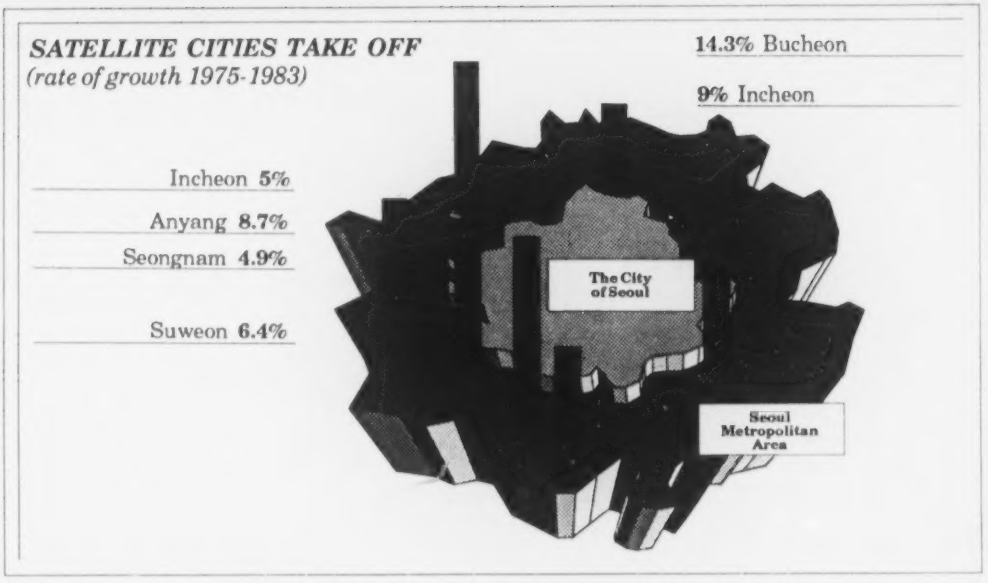
in depth

SEOUL: KOREA'S HIGH-TECH HOTBED



Between 1980 and 1983, suburban districts grew at an average annual rate of 5.9 percent, as compared to 3.2 percent for Seoul proper.

Take a look at our new format and style! The new design highlights trends and makes charts and tables easier to read. Note our new columns, "What the Numbers Mean" and "Rankings."

Seoul is in the throes of change--in the way its people live, in the jobs they do, and in the makeup of its populace. The national vortex of money, power, commerce, information, and population, Seoul is at the forefront of Korea's push to move from a dependence on basic industries and conventional manufacturing to high technology industries. Business leaders and government officials have high hopes of building a Korean economy based on the government-targeted emerging technologies of microelectronics, telecommunications, pharmaceuticals, and new materials.

Seoul has all of the basics necessary to drive Korea's economic transition. The city of Seoul proper houses one out of every four Koreans. In 1983, 9.2 million people lived in the city. Nearly 30 percent of all Koreans--over 12 million people--lived in the Seoul Metropolitan Area, which includes the city of Seoul and its outlying suburban districts.

Home to 95 of Korea's 100 largest trading companies and 42 of the 46 family-based industrial conglomerates including Korea's five giant business conglomerates--the *chaebols* of Daewoo, Hyundai, Lucky-Goldstar, Samsung, and Sunkyong--Seoul controls Korean commerce. The city's Central Business District also houses Korea's major colleges and uni-

FORMERLY INTERNATIONAL DEMOGRAPHICS
VOLUME 6 NUMBER 4 APRIL 1987

versities, primary government offices, largest financial institutions, insurance firms, the stock exchange, and the media.

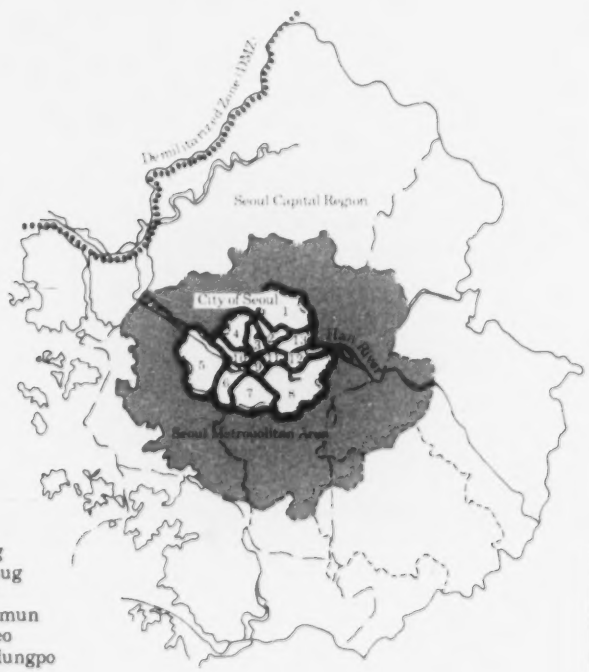
Seoul also boasts a low-cost, hard-working labor force that is increasingly well trained and flexible--the two ingredients for producing the kind of worker needed to fuel high-tech industries. Seoul workers increasingly don white collars, entering administrative and managerial, professional and technical, and service jobs at faster rates than any other type of employment. Employment opportunities have kept pace with Seoul's rapidly growing labor supply resulting in low unemployment by developing country standards.

RISING STANDARDS OF LIVING

After a devastating war, Korea's 1962 per capita GNP was a mere $80. Now per capita GNP is $2300. Although only about one-eighth of U.S. GNP per capita, Korea's current GNP says a lot about the achievements a remarkably buoyant people made in a mere three decades. Only 12.3 percent of Koreans now live below the poverty line, down from nearly 41 percent in 1962.

What's more, although true Korean democracy is still down the road apiece, a more equal distribution of income is well on

THE CITY OF SEOUL AND ENVIRONS



The city of Seoul lies at the heart of the Seoul Metropolitan Area and the broader Seoul Capital Region.

Consumer markets abroad

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its way. The income share of the bottom 40 percent of households rose from 15.4 percent in 1978 to 17.5 percent in 1986.

Seoul has played a dominant role in Korea's rising fortune, driving Korea's export-led economy by rapidly developing a diversified manufacturing base and acting as its financial, academic, and governmental nerve center. By 1977, Seoul accounted for 30.5 percent of Korea's GNP, up from 17.3 percent in 1963. And real per capita income in Seoul rose from a dismal $87 in 1962 to nearly $2000 in 1985.

One of Asia's most up-and-coming metropolises, Seoul is refreshingly void of the absolute poverty, vast slums, and underemployment so characteristic of developing-country megacities. Privately built residential high-rise apartment complexes have helped ease Seoul's acute housing shortage, while municipal public works projects have produced a well-functioning infrastructure that supports Seoul's high standards of public health. Housing still remains a problem, however, with as much as 40 percent of city households doubled or tripled up in a single housing unit.

Seoul's well-developed health care infrastructure accounts for the city's low mortality rates from preventable diseases. Traditional Korean reverence for knowledge in

Seoul workers increasingly don white collars, entering administrative and managerial, professional and technical, and service jobs at faster rates than any other type of employment.

GROWTH OF SATELLITE CITIES AND SUBURBAN DISTRICTS OUTPACES CITY PROPER

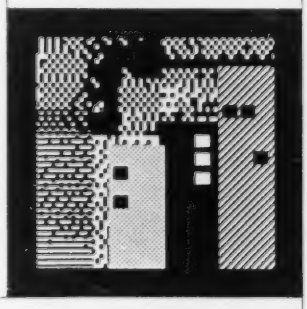
Population size and rate of growth of Seoul Capital Region, 1966-83

Cities and districts	*Population (thousands)*					*Annual growth rate (%)*			
	1966	*1970*	*1975*	*1980*	*1983*	*1966-1970*	*1970-1975*	*1975-1980*	*1980-1983*
1. **Seoul**	3,793	5,525	6,879	8,351	9,204	9.4	4.4	3.9	3.2
CBD	386	346	619	535	501	-2.8	12.3	-2.9	-1.6
Ring	3,407	5,179	6,260	7,816	8,703	11.0	3.9	4.5	3.6
2. **Suburban districts**	1,333	1717	2,335	3,230	3,860	6.3	6.1	6.5	5.9
Incheon	526	643	797	1,082	1,220	5.0	4.3	6.1	4.0
Suweon	128	170	224	310	374	7.1	5.5	6.5	6.3
Seongnam	30 [a]	61 [a]	272	377	417	17.7	29.9	6.5	3.4
Euijeongbu	75	94	108	133	145	5.8	2.8	4.1	2.9
Anyang	54 [a]	91 [a]	135	253	292	12.9	7.8	12.6	4.8
Bucheon	41 [a]	56 [a]	109	221	340	8.0	13.2	14.2	14.4
Namyangju	99 [a]	124 [a]	153 [a]	191	210	5.6	4.2	4.4	3.2
Sihung	128	186	207	289	449	9.3	2.1	6.7	14.7
Goyang	94	133	143	156	165	8.8	1.4	1.7	1.9
Kwangju	73	81	95	107	142	2.6	3.2	2.2	9.4
Gimpo	85	78	92	97	106	-2.1	3.2	1.1	3.0
3. **SMA** (1 + 2)	5,126	7,242	4,214	11,581	13,064	9.0	4.9	4.7	4.1
4. **Outlying Kyonggi Area**	1,769	1,637	1,700	1,700	1,718	-1.9	0.8	0.0	0.4
5. **Capital Region** (3 + 4)	6,895	8,879	10,914	13,281	14,782	6.3	4.1	3.9	3.5

[a] *Estimated population based on the current administrative boundary.*

Source: Jin Ho, Choi and Tae-Il Lee, "Attributes of metropolitan suburbanization in Seoul Capital Region and their policy implications," paper presented at the Korea / United States Seminar on Urban / Regional / Transportation Development Planning and Environmental Management, Seoul, August 18-24, 1985.

Real per capita income in Seoul rose from a dismal $87 in 1962 to nearly $2000 in 1985.



The completion of two commuter rail lines in 1974 accelerated the movement of people out of the city and into surburban areas, concentrating urban growth along the railway corridors.

conjunction with a well-developed school system has produced a highly literate populace and a skilled workforce.

ANATOMY OF A BURGEONING REGION

The city of Seoul lies at the heart of the Seoul Capital Region (population, 14.7 million), an 11,697 square kilometer area that stretches across the west central part of the Korean peninsula and butts up against the Demilitarized Zone (DMZ) on the north. Seoul's too-close-for-comfort location near the DMZ, in conjunction with the city's concentration of the nation's population and economic activity, have given government planners a unique impetus to experiment with strategies of metropolitan development.

During the late 1960s the city grew at the rapid average rate of 9 percent annually as rural Koreans looked for jobs in the city's quickly developing economy. To discourage the further concentration of population and economic activity in the Capital Region and particularly in the city of Seoul proper, the Korean government established a green belt in 1970 around the city's periphery.

The establishment of the green belt effectively halted horizontal growth along the Han River, forcing the surging population growth of the city to push south of the Han River and into such satellite cities as Incheon, Suweon, Seongnam, Eiujeongbu, Anyang, and Bucheon--all of which have grown at annual average rates of 6 percent since the 1960s. It also greatly slowed the population growth rate of the city of Seoul, with growth rates in the 1970s dropping below national urban averages. The annual average growth rate for the period 1970 to 1975 was 4.4 percent, down from 9.4 percent annually between 1966 and 1970. By the early 1980s, the city's growth rate was down to 3.2 percent annually.

After the green belt was established, land shortages north of the Han River made developers look south. New housing in high-rise developments south of the river in conjunction with a newly developing secondary Central Business District on Yoido Island and in Gangnam Ward combined to push the south's share of the city proper's population from 23 percent of the total population in 1973 to almost 44 percent of the total population in 1983.

The completion of two commuter rail lines in 1974 accelerated the movement of people out of the city and into surburban areas, concentrating urban growth along the railway corridors. The satellite cities of Bucheon (1980 population, 195,700) and Incheon (1980 population, 1 million) sprang up along the Seoul/Incheon railway corridor, while the cities of Anyang (1980 population, 216,000) and Suweon (1980 population, 290,300) developed along the Seoul/Suweon railway corridor. Satellite city growth quickly outpaced that of the city of Seoul. Between 1980 and 1983, suburban districts grew at an average annual rate of 5.9 percent, as compared to 3.2 percent annual growth for the city proper. New industrial cities such as Banweol and bedroom communities such as Gwacheon are in the works, with planned populations of 200,000 people and 63,000 people, respectively (see map on page 10).

But, for now, the city of Seoul still dominates the Capital Region, with its 627 square kilometers alone housing over 60 percent of the Seoul Capital Region's population and 70 percent of the population of the Seoul Metropolitan Area--the area made up of the city

of Seoul and its outlying suburban districts. Seoul's Central Business District (CBD), made up of Jung and Jongro Wards, is the city's central core. In 1976, the CBD monopolized 74 percent of all governmental institutions in the Seoul Metropolitan Area, 73 percent of all public enterprises, 88 percent of the mass media, and 94 percent of all financial institutions. It is also the SMA's foremost tourist and shopping area, with 77 percent of the SMA's tourist hotels, 84 percent of its department stores, and 51 percent of its shopping arcades. Its residential population has almost halved since 1960, dropping from 1[illegible] percent of the city's total population in 1960 to only 9 percent of the total population in 1980.

Population densities in the city's central wards make Seoul one of the world's most densely populated cities. Wards that lie to the north of the Han River are more densely populated than those to the south, although the southern wards of Dongjag, Gwanag, Yeondeungpo, and Guro have population densities higher than the city average of 147 persons per hectare. The average population density of the northern wards was 185 persons per hectare, as compared with 151 persons per hectare for the southern wards. Dongdaemun, which lies to the northeast, has the highest population density of any city ward--292 persons per hectare.

The Seoul Capital Region, which includes the Seoul Metropolitan Area and the outlying Kyonggi Area, is bounded on the north by the DMZ, on the south by the estuary of the Anseong River, on the east by mountain ridges, and on the west by the North China Sea.

SEOUL TO BE THE WORLD'S EIGHTH LARGEST CITY BY THE YEAR 2000

Experts differ as to the future of Seoul's growth and its continued dominance over national life. Some see Seoul's primacy on the wane as interregional income and growth disparities converge and Seoul's share of national manufacturing output falls due to the development of large-scale industry in the south of Korea. Others point to the continued healthy growth of the Seoul Metropolitan Area and the upward momentum of employment in the city of Seoul as manufacturing employment gives way increasingly to high-tech, R&D, and business sector jobs.

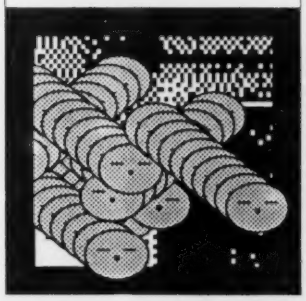
But, no doubt, Seoul will continue to grow, although at slower rates than in the past. The Ministry of Construction predicts that the city of Seoul will grow to a maximum of 10.2 million by 2001, with the capital region growing only to about 18 million. The Korea Institute of Population and Health projects a population for the Seoul Metropolitan Area in the range of 11.3 million to 14 million by the year 2000. The U.N. predicts Seoul's population will reach 13.7 million by the year 2000, making it the world's eighth largest urban agglomeration.

FEWER CHILDREN PER WOMAN AND SMALLER HOUSEHOLDS

Although Seoul's population makeup is young--27.9 percent of the population was under age 15 in 1983--it is becoming increasingly dominated by those of working age. Most recent in-migrants are unmarried young adults looking for jobs or a better education. This trend in conjunction with fewer children being born per woman--down from 3.9 births per woman in 1961 to 3.4 births per woman in 1980--has led to an increasing

Population densities in the city's central wards make Seoul one of the world's most densely populated cities.

Most recent in-migrants to Seoul are unmarried young adults looking for jobs or a better education.



trendwatch Seoul

Rental housing is on the upswing.

40 percent of households in the city are doubled and tripled up.

There is high residential mobility.

Housing construction standards are on the way up.

Household size is declining.

The number of persons per room is on the decline.

share of those between the ages of 25 and 59. The working population--aged 15 to 59--accounted for 67.4 percent of the population in 1983, up from 65.1 percent in 1975.

The proportion of those aged under 15 dropped from 31.2 percent of the total population in 1975 to 27.9 percent of the total population in 1983, while those aged 60 and over increased from 3.7 percent of the total population to 4.6 percent of the total population in 1983.

Two trends combine to lower total household size--fewer births per couple and the rise of nuclear families as high-rise apartment living allows more young couples to live apart from their parents. Before the establishment of the green belt in 1970, Seoul residents lived almost exclusively in family-owned, detached residences. Once the green belt pushed urban development to the city wards south of the Han River, more and more households found quarters in newly built, high-rise complexes. Between 1968 and 1978, 120,000 high-rise apartment complexes were built. But even in 1980, however, about 75 percent of all housing units in the city of Seoul were detached houses.

A HIGHLY MOBILE POPULATION

Seoul is essentially a city of migrants. More than half of the city's growth since 1960 is attributable to in-migration. Between the mid-1960s and mid-1970s, a half million Koreans a year found homes and jobs in Seoul. In-migration began to slow, however, in the late 1970s. Between 1978 and 1983, about 953,000 people moved to Seoul from rural areas and another 621,000 people from other urban areas.

Although slowed, the continued growth of the city of Seoul still comes mainly from in-migrants from outside Kyonggi Province. Of the 83,500 households that moved to Seoul during 1979 to 1980, 63 percent came from outside the Capital Area. Those moving in from the suburbs accounted for about 21 percent of total in-migrants, while 11 percent came from the outer Kyonggi Area. (Total may not add up to 100 due to rounding.)

In contrast, growth of the suburban areas is largely due to the outflux from the city of Seoul. During 1979 to 1980, about 54 percent of newcomers came from the city of Seoul. Those leaving Seoul for the suburbs are mainly young families forced out by Seoul's high housing costs. Many continue to work in the central city.

Why all this shifting about? In-migrants from outside the Capital Area come mainly for jobs. Two-thirds of those who moved to Seoul in 1984 did so to obtain employment, while one-seventh were students seeking better educational opportunities. For residents of the Seoul Metropolitan Area, moving is a way of life as up-and-comers hop from starter homes and apartments to better-quality dwellings and young households leave Seoul to escape high housing costs.

With 1.1 million housing units in 1983, Seoul had about one unit for every 1.8 households. This leaves about 600,000 of Seoul households--or roughly 40 percent of all city households--doubled or tripled up. Those that own their own homes--about 54 percent of households in the city of Seoul--move on average every 3.7 years. Renters move even more often, about every 2.1 years if they are renting the entire dwelling and between 1.6 and 2.2 years if they are renting only part of the dwelling unit.

MORE WHITE-COLLAR JOBS

The Koreans say they are harder workers than the Japanese. One look around Seoul confirms that the work ethic is indeed alive and kicking. With low unemployment by developing country standards, the city has high labor force participation rates. In 1983, 70 percent of men and 25 percent of women worked. And, although the city lost 80,000 manufacturing jobs between 1981 and 1983 when more than 1,500 manufacturing firms moved out of the city, employment growth during this same period registered 11.3 percent.

What took up the slack? During this same period, administrative and managerial jobs rose by 77.4 percent, professional and technical jobs by 34.6 percent, and service jobs by 24.7 percent. Even manufacturing employment grew by 8.9 percent. Growth in clerical jobs and sales jobs lagged behind, rising only by 8.3 percent and 3.7 percent, respectively.

Seoul is increasingly concentrating the national share of white-collar jobs. By 1980, Seoul accounted for about 40 percent of the nation's total white-collar employment, up from 37 percent in 1970.

The city's share of manufacturing employment relative to the Seoul Metropolitan Area dropped from 70.6 percent in 1973 to 47.1 percent in 1981 as manufacturing firms moved to satellite cities and the Kyonggi Area. During the same period, satellite city manufacturing employment rose from 22 percent of total manufacturing employment in the Seoul Metropolitan Area to 35 percent of the total. Kyonggi's share increased from 7.2 percent of total manufacturing employment to 18.2 percent of the total.

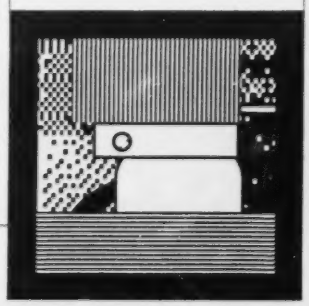
With low unemployment by developing country standards, the city has high labor force participation rates.

WHERE THEY LIVE AND WORK

Distribution of population and economic activities, by ward, 1983

Ward	*Population*	*Density (population / hectare)*		*Registered manufact. employment*	*Employment density (per km²)*	*Private stores*	*Banks*	*Restaurants and tearooms*	*Construction (in billions of won)*
North		*1978*	*1983*						
Jongro	276.9	130	115	5,422	225	5,243	96	3,797	7,620
Jung	224.5	258	223	10,126	1,003	17,695	184	5,230	5,034
Yongsan	334.8	161	157	9,142	427	1,137	38	2,260	2,730
Seongdong	737.5	162	181	60,204	1,476	1,639	56	3,049	6,244
Dongdaemun	914.1	253	292	19,301	617	3,988	58	3,297	5,987
Seongbug	589.4	239	237	8,507	343	1,900	37	1,706	6,720
Dobong	813.0	86	99	21,439	262	2,965	34	1,901	9,564
Eunpyeong	422.2	113	129	4,799	146	1,122	24	1,342	7,886
Seodaemun	422.7	223	236	2,569	144	1,272	29	2,333	4,059
Mapo	439.2	183	184	7,458	313	1,027	33	1,369	4,882
South									
Gangseo	634.8	41	105	34,348	571	2,053	38	2,308	18,006
Guro	629.7	--	160	137,534	3,491	1,247	33	2,735	14,202
Yeongdeungpo	446.2	142	162	59,960	2,172	2,806	58	3,231	11,373
Dongjag	400.3	--	239	7,590	452	791	22	1,615	15,669
Gwanag	539.8	176	196	2,501	91	1,790	24	2,226	7,155
Gangnam	651.7	68	75	2,724	31	10,723	112	4,161	16,076
Gangdong	727.5	--	121	11,589	193	4,150	53	2,535	19,872
	9,204.3	139	147	405,213	646	61,548	928	44,995	163,080

Source: Seoul Metropolitan Government, Seoul Statistical Yearbook (1984).



Wards that lie to the north of the Han River are more densely populated than those to the south. Dongjag, Gwanag, Yeondeungpo, and Guro, however, have higher population densities than the city average.

Although the trend is toward rising white-collar employment, Seoul is still a blue-collar town. Of its 2.5 million workers in 1980, seven out of ten still worked blue-collar jobs. Most of Seoul's white-collar workers in the retail trade and in offices work in the wards north of the Han River, especially in Jung and Jongro Wards, and in

By 1980, Seoul accounted for about 40 percent of the nation's total white-collar employment, up from 37 percent in 1970.

MORE SEOUL WORKERS WEAR WHITE COLLARS

Total number employed and growth rate by occupational category in Seoul, 1966-1980

Occupational category	*1966*	*1970*	*1975*	*1980*	*Average annual growth rate (1966-1980)*
Office-related					
number	203,740	381,378	527,805	764,471	
percentage	23.1	23.5	24.8	29.9	9.4
Professional/technical					
number	52,610	97,876	132,944	198,478	
percentage	5.9	6.0	6.2	7.7	9.5
Administrative/managerial					
number	29,600	46,537	51,095	80,986	
percentage	3.3	2.9	2.4	3.2	7.2
Clerical/related					
number	121,530	236,965	343,766	485,007	
percentage	13.7	14.6	16.2	19.0	9.9
Other					
number	679,770	1,240,310	1,597,040	1,794,036	
percentage	76.9	76.5	75.2	70.1	7.2
Sales					
number	198,720	334,465	428,564	541,879	
percentage	22.5	20.6	20.2	21.2	7.2
Services					
number	120,450	230,601	245,638	291,474	
percentage	13.6	14.2	11.6	11.4	6.3
Production/related (manufacturing)					
number	335,870	621,357	864,389	937,949	
percentage	38.0	38.3	40.7	36.7	7.3
Agriculture/fishery/forestry					
number	24,520	31,068	42,347	22,574	
percentage	2.8	1.9	2.0	0.9	-0.6
Unclassified					
number	210	22,818	16,102	160	
percentage	0.0	1.4	0.7	0.0	0.0
Total					
number	883,510	1,621,688	2,124,845	2,558,507	
percentage	100.0	100.0	100.0	100.0	7.6

Source: Jeong-Sik, Lee, "The impact of office employment on urban growth: the case of Seoul," paper presented at the Korea / United States Seminar on Urban / Regional / Transportation Development Planning and Environmental Management, Seoul, August 18-24, 1985.

Growth in office-related employment outstripped that of all other occupational categories between 1966 and 1980.

Gangnam Ward--Seoul's second major business district--which lies to the south of the river. Sixty-four percent of the over 400,000 blue-collar workers in manufacturing in 1980 worked in the southern wards of Guro and Yeongdeungpo and the northern ward of Seongdong.

SEOUL'S SUPERIOR EDUCATION SYSTEM ATTRACTS IN-MIGRANTS

Seoul's educational system is so highly regarded in Korea that families move to Seoul just to enroll their children. Seoul's superior education system so attracted regional in-migrants looking for a better education for their children that the government imposed higher school fees for schools within the city of Seoul, restricted the further building of middle and high schools north of the Han River, and began a sustained policy of equalizing education throughout the country.

The city boasts almost universal literacy and places much emphasis on educating the populace. The city's 365 primary schools have an average class size of 58; its 243 middle schools, an average class size of 69. Of Seoul's 180 high schools--average class size of 64--80 percent are private.

Even though paying for secondary and higher education puts a crimp in the average household's budget, the number of students enrolled in Seoul's 36 colleges and universities doubled between 1977 and 1983. Graduate school enrollees tripled during that same period from 13,000 students to 40,500 students.

Korean spending patterns are influenced greatly by the Korean penchant for higher education. After the average monthly wage of $325 is portioned out for necessities, the rest is often invested in education as only primary schooling is provided free of charge. With 80 percent of Koreans of secondary school age enrolled in secondary education, this trend is pervasive.

SOURCES

Most of the information in this profile comes from *Population Growth and Policies in Megacities: Seoul*, published by the United Nations in 1986. Part of a series of studies prepared by the Population Division of the Department of International Economic and Social Affairs of the United Nations Secretariat, this report gives not only copious information about Seoul's demographic picture, but provides data and analysis of the latest surveys taken in the city of Seoul. Obtain from United Nations Publications, Room DC2-0853, New York, NY, 10017; telephone (212) 754-7402.

Another excellent volume chock full of data on Seoul is the *Seoul Statistical Yearbook*, published by the Korean National Bureau of Statistics.

For an overview of how Seoul fits into the developing-country, metropolitan-growth picture, refer to *Migration, Population Growth and Employment in Metropolitan Areas of Selected Developing Countries*, published in 1985 by the United Nations. Obtain from address given above.

--Denise Rusoff

rankings

WORLD METRO AREAS--WHERE DOES SEOUL FIT IN?

Largest urban agglomerations by population size (in millions), according to the U. N.

in 1985

1.	Tokyo/Yokohama, Japan	18.8
2.	Mexico City, Mexico	17.3
3.	Sao Paulo, Brazil	15.9
4.	New York/Northeastern New Jersey, USA	15.6
5.	Shanghai, China	12.0
6.	Calcutta, India	11.0
7.	Greater Buenos Aires, Argentina	10.9
8.	Rio de Janeiro, Brazil	10.4
9.	London, United Kingdom	10.4
10.	**Seoul, Republic of Korea**	**10.3**

in 2000

1.	Mexico City, Mexico	25.8
2.	Sao Paulo, Brazil	24.0
3.	Tokyo/Yokohama, Japan	20.2
4.	Calcutta, India	16.6
5.	Greater Bombay, India	16.0
6.	New York/Northeastern New Jersey, USA	15.8
7.	Shanghai, China	14.3
8.	**Seoul, Republic of Korea**	**13.7**
9.	Rio de Janeiro, Brazil	13.3
10.	Delhi, India	13.3

inside information

NEW GROWTH TO PUSH SOUTH OF SEOUL METRO AREA

When it comes to metropolitan management programs, Seoul's city fathers have tried them all--spatial distribution policies, land-use plans, and industrial location policies. Persistent in its efforts to reduce Seoul's primacy by decentralizin Seoul's concentration of population and economic activity, the Korean government has effectively slowed the cit's growth and shifted population out of the city and into the peripheral areas of the Seoul Metropolitan Area (SMA).

But what will the future bring? Further growth is inevitable, but where will it occur?

So far, new growth has concentrated in the satellite cities, the majority of which lie to the south of the Han River. Most recently, however, the government divided the Capital Region (the city of Seoul, its suburban districts and the surrounding Kyonggi Area) into five improvement regions.

The 1982 Growth Management Planning Law for the Capital Region aims to develop the southern part of the Capital Region (especially the southeastern part). This area would then absorb Seoul-bound immigrants and accommodate industry. Plans are to construct a second international airport and an expressway along the western coast.

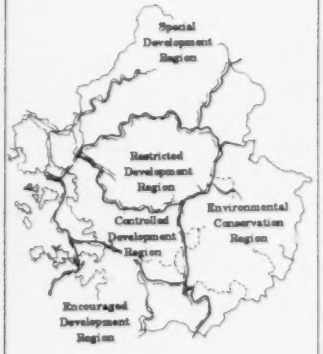
Specifically, no further growth of industry is to be allowed in the restricted development sub-region, or central Seoul. Polluting industries are to be relocated, further urban renewal undertaken, expansion of colleges and universities checked, and cleared land made into parks and green spaces.

Controls on development will also be tightened in the suburban areas south of Seoul--the controlled development region--to prevent urban sprawl. Limits are placed on new factory construction, and the cities of Incheon and Suweon are to absorb urban functions formerly performed by Seoul.

The southern part of the outer ring of the Capital Region is where the action will take place. The encouraged development sub-region will house small and medium-sized industries forced to relocate outside of Seoul. The cities of Balan, Pyeongteg, and Anjung are to accommodate these outcast industries, as well as provide homes for newcomers looking for work in the Seoul Metropolitan Area. Large-scale factories, however, will be relocated outside of the Capital Area.

The 1982 law looks far into the future of the Seoul area by reserving open space and developing water resources for times still to come. The environmental protection sub-region is protected from industrial development as well as the construction of large-scale housing projects. Some farming activities are to be permitted. Recreational and leisure facilities are to be built in the southeastern part of this sub-region, around the garden towns of Uchon, Kojiam, and Yongin.

Seoul's northern sub-region--the special development sub-region--will be reserved for national defense purposes. Seoul lies uncomfortably close to the DMZ and within artillery range of North Korean forces. While some agro-business is to be permitted, urban development of any sort will not be tolerated.



SEOUL'S SOUTHERN CITIES SHOW BIGGEST GROWTH POTENTIAL

Planned urban development in Seoul Capital Region

- existing satellite cities
- growth poles--secondary cities
- new industrial cities
- existing townships
- bed towns

Source: Population Growth c... Policies in Mega-Cities: Seoul, 1986, United Nations, New York.
Source for maps: Planning Maps of Seoul, (1980), Korea Planners Association and the City of Seoul.

Seoul's average annual growth rate of 6.8 percent between 1950 and 1980 made it one of Asia's fastest growing cities. It beat out such thriving metropolises as Bangkok (3.8 percent), Hong Kong (4.4 percent), Jakarta (4.5 percent), Manila (4 percent), and Singapore (2.6 percent). But, how fast is a 6.8 percent average annual growth rate over 30 years and what does it really mean?

To put it simply, experiencing such a high rate of growth in an agglomeration of Seoul's size on such a sustained basis is nothing short of phenomenal. Of major metropolises worldwide, only Brazil's Belo Horizonte (6.9 percent) grew faster over the same period. Developing-country cities are increasing in population at about 3.8 percent a year on average.

But what makes Seoul particularly stand out from among the crowd of fast-growing metropolises is its ability to handle the stresses rapid growth places on the job market and such city services as housing, transportation, sanitation, and fire protection. The vast slums and rampant underemployment of such developing-country cities as Jakarta (4.5 percent average annual growth rate between 1950 and 1980) and Mexico City (5.4 percent annually over same period) are nowhere to be seen in Seoul. Seoul's achievements in finding jobs for and housing its millions are even more remarkable in light of the fact that most of Seoul's growth came from in-migration, not natural increase.

Many factors made the difference for Seoul. The outstanding performance of the Korean economy generated enough new jobs to keep up Seoul's burgeoning labor supply. Government municipal planning also helped. Recognizing the need to deal with not only natural increase through family planning programs but also with in-migration as a major component of growth, the national government early on began strong population redistribution programs. Korea's relatively small size and homogeneous society contributed much to Seoul's successful housing of immigrants even though suffering from severe housing shortages. About 30 percent of immigrants to Seoul polled in a 1983 survey said they had received assistance from relatives in obtaining housing, as well as other kinds of assistance.

THE BIG TEN--HOW FAST ARE THEY GROWING?
The 10 largest urban agglomerations and projected average annual rates of growth, 1985-2000

Rank in 1985	*Urban agglomeration*	*Average rate of growth (percentage per year) 1985-2000*	*Population (millions)* 1985	2000
1	Tokyo/Yokohama, Japan	0.48	18.82	20.22
2	Mexico City, Mexico	2.67	17.30	25.82
3	Sao Paulo, Brazil	2.75	15.88	23.97
4	New York, U.S.	0.06	15.64	15.78
5	Shanghai, China	1.19	11.96	14.30
6	Calcutta, India	2.75	10.95	16.53
7	Buenos Aires, Argentina	1.28	10.88	13.18
8	Rio de Janeiro, Brazil	1.64	10.37	13.26
9	London, United Kingdom	0.09	10.36	10.51
10	Seoul, Republic of Korea	1.95	10.28	13.77

Source: United Nations

what the numbers mean

THE "ANNUAL GROWTH RATE"

The *growth rate* of a particular population, as defined by the Population Reference Bureau, is the rate at which a population is increasing (or decreasing) in a given year due to natural increase and net migration (immigration minus emigration), expressed as a percentage of the base population.

special report

LABOR IN TOKYO--RETIRED WORKER INCOME AND SPENDING PATTERNS

This report on Tokyo's aged households is the last in a three-part series on labor in Tokyo.

Japan's "silver market" is Tokyo's latest rage--one that shows no signs of going away. Now accounting for about 10 percent of Tokyo's total population, Tokyo's oldsters will account for about 16 percent of the population by the year 2000 and an astounding 24 percent by the year 2021.

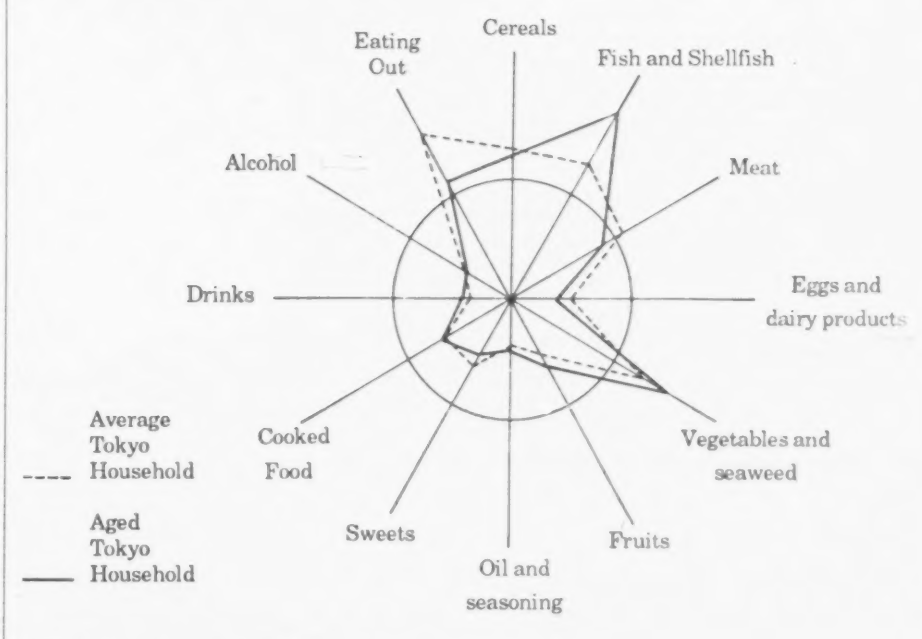
So inviting a market is not long overlooked in Tokyo. "Silver businesses," as they are called in Japan, range from free financial planning services provided by banks to help graying Japanese invest their money to home-delivery of specially prepared meals for oldsters or elderly shut-ins on special diets. The Shimizu Construction Company in a joint venture with Beverly Enterprises of California is now studying a Sun City-type development for the over-65 crowd, a hitherto unthought of project in family-centered Japan.

But how viable a market are Tokyo oldsters? How big is the market? And just how much money do the elderly have to spend and what do they tend to spend it on?

In 1980, there were about 900,000 senior citizens in Tokyo. Tokyo's 240,000 aged households accounted for 5.9 percent of all households in the city.

Although the average aged household in Tokyo--2.5 members--spends less than the average Tokyo household--3.7 members--per capita expenditure by Tokyo's senior citizens is more in every category of consumption expenditure than it is for their sons and daughters except when it comes to

TOKYO'S OLDSTERS STILL EAT MAINLY TRADITIONAL FARE



Source: "Living Standards of People in Tokyo," Bureau of General Affairs, Tokyo Municipal Government.

Tokyo's aged households have as many modern conveniences as do any in the West. But when it comes to diet, good old fish, shellfish, vegetables and seaweed retain their appeal. Younger households step out more, eating more eggs, dairy products, and meat.

education.

The table below gives a detailed breakdown of spending in yen by aged households--those in which both householder and spouse are aged 60 and over and in households of similar age composition. All data are from the Family Income and Expenditure Analysis Survey conducted by the Tokyo Municipal Government in 1983.

TOKYO'S ELDERLY OUTSPEND WORKERS AND YOUTH

Monthly income and expenditure for average and aged households (1983)

	Average household	*Aged household*
Number of persons in household	3.70	2.56
Average age of householder	43.1	67.7

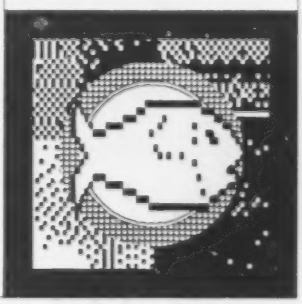
	*Average Tokyo household (in yen)**		*Aged Tokyo household (in yen)**	
	total	*per capita*	*total*	*per capita*
Net monthly income	440,343	119,012	324,788	126,870
Current income	432,035	116,766	319,545	124,822
Salary income	417,687	112,888	270,024	105,478
Income from side business	5,954	1,609	7,816	3,053
Other current income	8,393	2,268	41,705	16,484
Social security benefit	4,355	1,177	34,568	13,503
Extraordinary income	8,309	2,245	5,244	2,048
Net monthly expenditure	376,733	101,819	317,740	124,117
Household expenditure	304,609	82,326	266,636	104,154
Consumption expenditure	293,661	79,367	266,636	104,154
Food	77,019	20,815	67,349	26,308
Housing	20,054	5,420	18,114	7,075
Light, heat and water	16,933	4,576	20,015	7,818
Furniture and household utensils	11,719	3,167	16,647	6,502
Clothing and footwear	20,975	5,668	16,807	6,565
Medical care	7,438	2,010	7,454	2,911
Transportation & communication	25,277	6,831	20,805	8,126
Education	14,894	4,025	14	5
Culture and entertainment	27,909	7,542	34,879	13,624
Other consumption expenditure	71,442	19,308	64,551	25,215
Brought forward	96,411	26,057	109,318	42,702

Source: "Living Standards of People in Tokyo," Bureau of General Affairs, T.M.G.

** When converting to $US, note that using the 1983 exchange rate of .42 cents per yen does not take into account the 40 percent rise in the yen against the dollar since that time (about .64 cents per yen in February, 1987).*

Note: As these survey results are based on a household in which both householder and spouse are aged 60 and over, they cannot be compared to those from reports that use age 65 and over as their criterion.

Tokyo's 240,000 aged households accounted for 5.9 percent of all households in 1980.



Although the average Tokyo household spends more than the average aged household, per capita expenditure by oldsters outstrips that of workers and youth.

CANADA, MALAYSIA, SOUTH KOREA, WEST GERMANY, UNITED KINGDOM, FRANCE, ITALY

Canadian Wealth The net worth of Canadian families and unattached individuals in May 1984 was $85,344. (Average income in 1983 was $29,113.) The average wealth of unattached individuals was $38,146. Families with two or more members had an average wealth of $104,222. However, one half of these families had a net worth below $39,876.

Average income for families with two or more members was $34,748. Average income for unattached individuals was $15,027.

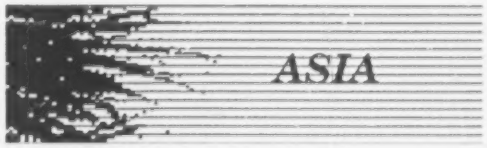
Immigrants fare well in Canada or bring wealth with them, according to Statistics Canada. Family units headed by a person born outside Canada had an average net worth of $101,971, compared to $81,158 for family units with heads born in Canada.

A family unit's most important asset was its home. Fifty-nine percent of all family units owned their own homes. Owner-occupied homes accounted for 43 percent of total asset holdings for family units. The average market value of owner-occupied homes was $71,588. Equity in businesses, farms, or professional pratices accounted for 21 percent of total assets, with another 22 percent of the total in liquid or financial assets.

These and other data on the distribution and composition of wealth according to selected socio-demographic characteristics are available in Statistics Canada's report *The Distribution of Wealth in Canada, 1984* (13-580), available for $25 from Roger Love (613-991-6898), Labour and Household Surveys Analysis Division.

Malaysian population increased at 2.6 percent annually between 1980 and 1985 The population of Malaysia increased from 13.9 million in 1980 to 15.8 million in 1985. Peninsular Malaysia and Sarawak grew at about the same rate, 2.5 percent and 2.7 percent annually. Sabah grew the fastest at 3.9 percent annually.

Within Peninsular Malaysia, Malays and other Bumiputera populations grew at an average annual rate of 2.9 percent between 1981 and 1985, beating out the Chinese (1.7 percent) and the Indians (2.1 percent). Malays and other Bumiputera populations, therefore, made up 56.5 percent of the population, up from 55.1 percent in 1980. The proportion of the total population made up of Chinese fell from 33.9 percent of the total population in 1980 to 32.8 percent of the total population. The Indian share of the total population also decreased, from 10.3 percent in 1980 to 10.1 percent in 1983.



Source: National Population and Family Development Board, Malaysia

South Korea reaches fertility-reduction milestone They've done it! South Korea recently announced that it had reached replacement-level fertility, with the number of children a woman commonly bears down to 2.1 children per woman. This is just below the number considered necessary to replace a population.

More West Germans live alone The proportion of West Germans under 20 will decrease from 24 percent of the total population in 1985 to 15 percent of the total population in 2030, according to a study by the Ministry of the Interior. The percentage of those over 60, on the other hand, will rise from 20 percent of the total population to 38 per-

cent of the total population during the same period.

The study also shows an increase in the number of singles and one-person households in the age group under 50 due mainly to high divorce rates, low remarriage rates, longer life expectancies, and a surplus of men, who in 1983 outnumbered women by 470,000 in the 10-to-35 age group.

More British women singles buy their own homes Britains' women are on the way up. More and more financially independent career women are buying their own homes, as well as their own cars.

London women, of course, lead the pack. In 1985, 24 percent of Londoners receiving a Nationwide building society's mortgage were women, as compared with 16 percent nationwide. In such London boroughs as Kensington, Chelsea, Islington, and Camden, over 30 percent of borrowers were women. These figures have almost doubled since 1975.

Who are these new women borrowers? About 56 percent of these women were single at the time they received their mortgages and about half were first-time buyers of homes.

France splits north and south on where babies are born The French like to tell of the differences between the northerners and the southerners and their respective ways of life. Northerners are competitive and commercially minded. Southerners are open, warm, laid back.

But one thing for sure distinguishes between northerners and southerners. The north is where French women are having babies. The south is where France's growing numbers of elderly are going to retire.

So many are moving south, in fact, that population growth in the south will continue to outstrip that of the north throughout this century. Between 1975 and 1982, immigration to the south offset low birth rates, making the south the fastest growing area in France.

Fewer *bambini* in Italy Old stereotypes die hard, but the days of Italy's extended family matriarchy are coming to a close. With an increasing proportion of women in full-time employment and the drift away from country life in which grandmothers helped care for their daughters' children, one-child families are on the rise.

Italy's birthrate has declined in the last 13 years, from 16 births per 1,000 to 9.5 per 1,000. This compares to the U.S. birthrate of 15.7 births per 1,000. The number of deaths in 1986 exceeded the number of live births--the first indication that Italy is about to join the ranks of such northern neighbors as Denmark and West Germany, which have already begun to experience declining populations. North of Rome, family size has fallen to below 1.3 children, well below the 2.2 children per couple a society needs to just reproduce itself.

Please note June 3 as the new date of our international session *at the 7th Annual Demographic Outlook Conference, sponsored by the American Demographics Institute on June 3 and 4 at the New York Hilton.*

Featured speaker will be Barbara Torrey, chief of the Center for International Research at the U.S. Census Bureau and an economist formerly with the Office of Management and Budget. Ms. Torrey will talk about consumer expenditure surveys that are now available from many foreign nations, and Census Bureau plans to analyze the data and make them available. A user from a consumer goods company will discuss how his company uses demographic data to make decisons about market entry overseas.

People interested only in the international aspects of demographic data can register for just the June 3 session which will be held from noon until 4:30 p.m. Participants are also invited to attend a vendors' exhibit and wine and cheese reception from 4:30 to 6:30 p.m. Those who register for the full two-day program can choose the international session.

publications

NEW FROM JAPAN

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Another Japan-related publication offered by Gale Research Company is **Affiliates and Offices of Japanese Firms in USA and Canada**, 1986, Japan External Trade Association, 559 pp., $80. This volume lists 5,700 firms located in the U.S. or Canada that are supported or owned by Japanese interests. Entries include such information as company name, parent company name, address, telephone, year established, status of company, and location of headquarters in Japan.

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